The Need for Brands to Keep Talking

As we work our way through the first week of the shut down in Ireland, and the economic consequences begin to hit home, it's easy to see why the boards of many companies would ask why we are spending money on advertising during this period. Budgets are under severe pressure in many cases, and so it appears to make sense at a topline level to remove advertising/ marketing spend from the equation?

However, Evidence in academic papers from around the world, and our own analysis here in Ireland, suggests turning off the tap on media and advertising spend during the Covid-19 crisis would be a big mistake.

1. Evidence suggests brands should continue to spend on advertising if at all possible
2. Consumers remain open to normal and appropriate communication
3. Advertising appears to be having as strong an impact, if not stronger at present
4. Focus on long term emotional brand building, to benefit most in recovery mode

The closest Ireland has come to the current situation in recent memory, was the Global Financial Crisis we experienced some 10-12 years ago. As markets tumbled and consumers stopped spending, many brands' instinctive reaction at that time was to stop spending on advertising. In particular there was a drive to remove long term emotional advertising, in favour of quicker short-term tactical advertising. The results for many of those brands were calamitous.

Evidence from brand tracking surveys that RED C ran for clients across a range of industries, conducted between 2008 and 2011, showed that hard won brand strengths were being steadily eroded when spend was cut off. Some brands saw key emotional brand benefit linkages drop by as much as 15-20%.

So why does this matter, surely those assets can be re-built? Well this is much harder than you think, and it takes a long time to build back an emotional advantage that you could have defended. Your distinctive assets should thus be protected at all costs. Fundamentally, they are what sets your brand apart from the competition, when consumers are trying to make quick decisions about which brand to buy.

If you don't spend time and money reminding and reassuring people that your brand remains strong, and consolidating your distinctive and recognised brand assets, the competition may quickly and easily steal them.

This theory is backed up by academic research across the world. The Binet and Field paper on the drivers of effective advertising show that long term brand growth is heavily influenced by a multiple of ad spend SOV. When a brand reaches SOV above their current market share, they are in growth territory, above that brands current market share.

It's no surprise then that those advertisers that maintained or grew their ad spending during the last recession, were seen to increase sales and market share during the recession and afterwards.

Peter Field also recommends this week in an article from Marketing Week about the need for the focus of this spend to be on long term brand building, rather than on short term activation advertising.

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“Brands have one of two problems: either they can’t meet demand because of panic buying, so who wants to stimulate short term sales; or they have no customers because people are not allowed to go and buy it, in which case, ditto”

Another argument made in recent days, is that people don’t want brands to advertise during the crisis. But there is no evidence to suggest this at all. In fact, if anything consumers are spending more time taking in advertising messages than they would normally be.

Marketing Week also published some headline figures this week from the UK showing that the number of 16-34 years tuning into lunchtime news programmes grew by 160%! At the same time results from Lumen Research in the UK in the last few days has shown that attention to both digital and print advertising is even higher than usual during the outbreak. They used eye tracking to demonstrate that print advertising is seeing a 21% increase in attention vs. the norm, while there was an 11% increase in notice of viewing digital ads vs the norm. Importantly dwell time remained at similar levels.

Our own feedback from talking to consumers is that they are looking for brands to keep on with normal life and allow them to look forward to the future after the lockdown. Consumers are feeling somewhat vulnerable and uncomfortable at present. One of the biggest fears that consumers have is exactly how long any lockdown might last, they don’t want to be constantly reminded about the coronavirus and want life to feel as normal as possible outside of the news feed.

With this in mind, brands do need to be careful about the content of their campaigns. Keeping most normal advertising going makes sense, as long as the content isn’t seen to be inappropriate at the present time.

Carol Fanagan, Deputy MD at RED C, has this advice from ongoing qualitative work she is conducting with consumers. “People will resent brands that try to overtly capitalise on the current crisis, but will welcome brands that continue to portray the everyday normal, and/or who do something different or extra for them, particularly if it's of no obvious or immediate benefit to the brand. They are seeking comfort and reassurance and will look more favourably on brands that deliver that. People's tolerance levels will be lower for insensitive or inappropriate messaging - they will be quick to condemn brands that act in the 'wrong' way - and may not forgive/forget for some time”

How is advertising performing at the moment? RED C measures advertising performance on an ongoing basis for several brands across a variety of industries, using our RED Star evaluation method to understand both recall and the emotional and rational impact of campaigns. The evidence, taken from results of between 15 different campaign ads tested in the past month, is that there has been no negative impact on campaign evaluation at this stage.

In fact, if anything we are seeing a more positive response to advertising in March. Campaign recall is up almost universally, perhaps no surprise when people are spending more time watching linear TV. But there is also evidence to suggest that some emotional impact scores have also improved across campaigns. Above and beyond these two measures, the scores are stable vs similar campaigns tested before the coronavirus epidemic unfolded here.

All in all, the evidence suggests that if they possibly can, brands should continue to spend on advertising, preferably on longer term emotional campaigns, which appear to be working well and accepted by the consumer, in order to be best placed to take advantage during the recovery phase.